

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2001-777

December 14, 2001

CENTRAL MAINE POWER COMPANY
Request for Approval of a Special Rate
Contract with Northland Holder, Inc.

ORDER APPROVING
CONTRACT

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

SUMMARY OF DECISION

By this Order, the Commission approves Central Maine Power Company's (CMP's) proposed customer service agreement (CSA) with Northland Holder, Inc. (Northland).

DISCUSSION AND DECISION

On November 2, 2001, CMP filed with this Commission a proposed CSA with Northland. CMP acknowledged that the contract does not comply with all conditions of Attachment 6 of the ARP 2000.¹ Pursuant to Attachment 6, contracts with terms no more than one year beyond the term of the ARP, that are not anti-competitive or unduly discriminatory and that provide revenues in excess of the Company's marginal cost floors plus an adder, go into effect automatically. The prices in this contract, however, while above the marginal cost floors in most years, are not greater than the marginal cost floors in the last year of the contract and do not provide the required amount of contribution from the adder overall. Therefore, in order to become effective, this contract requires Commission review and approval.

We have reviewed the contract and while CMP has not provided support for the reasonableness of the contract rates, the overall revenue associated with this contract is not large. Further, other ratepayers will not be affected by the discount as the contract is not included in the current estimates of stranded costs in the CMP Stranded Cost proceeding (Docket No. 2001-232) and it expires prior to the end of the effective period for those stranded cost rates. Therefore, we will allow the CSA to go into effect but make no determination regarding its reasonableness. As with its other contracts, if CMP should at a later time seek to include the amount of discount its stranded cost estimates, CMP will be expected to demonstrate the reasonableness of the contract prior to other ratepayers making up the difference in contribution.

¹ ARP 2000 was approved by Commission Order Approving Stipulation dated November 16, 2000 in Docket No. 99-666.

Accordingly, we

O R D E R

That the Customer Service Agreement with Northland Holders, Inc., filed by Central Maine Power Company on November 2, 2001, is hereby approved and may become effective as of December 2, as requested by CMP.

Dated at Augusta, Maine, this 14th day of December, 2001.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: WELCH

NUGENT
DIAMOND

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.